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Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Air Force										Date: May 2017		
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 5: System Development & Demonstration (SDD)					R-1 Program Element (Number/Name) PE 0605221F I KC-46							
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
Total Program Element	5,319.514	572.118	261.724	93.845	0.000	93.845	47.740	15.187	0.000	0.000	Continuing	Continuing
651120: Pegasus Capability Improvements*	0.000	0.000	0.000	0.000	0.000	0.000	13.605	15.187	0.000	0.000	Continuing	Continuing
655271: KC-46 RDT&E	5,319.514	572.118	261.724	93.845	0.000	93.845	34.135	0.000	0.000	0.000	0.000	6,281.336
Program MDAP/MAIS Code: 387												
*This project's R-2a exhibit has been suppressed due to funding not beginning until after FY 2018												
A. Mission Description and Budget Item Justification												
<p>Replacement of the legacy tanker fleet will take place in several stages. The initial tanker replacement increment of KC-46s will replace roughly a third of the current capability. Future programs will ultimately recapitalize the entire tanker fleet over a period of more than 30 years. The Air Force completed an Analysis of Alternatives (AoA) in Apr 2006 to determine the most appropriate strategy to recapitalize the aging fleet of aerial refueling aircraft. Based on this analysis, the Air Force concluded a strategy of full and open competition to select a commercial derivative replacement tanker aircraft would result in a best value tanker contract. To initiate the first phase of the tanker replacement, the KC-46 program released a final Request for Proposal (RFP) on 24 Feb 2010, and entered source selection on 9 Jul 2010. The KC-46 program held a Milestone B (MS B) Defense Acquisition Board (DAB) on 23 Feb 2011, received approval to enter Engineering and Manufacturing Development (EMD) from the Undersecretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)) on 24 Feb 2011, and awarded the KC-46 EMD contract to Boeing on 24 Feb 2011 to develop and procure 179 KC-46 aircraft. The program is procuring four RDT&E aircraft for integration and demonstration of capability which will ultimately be operationally fielded. During production, the program plans to procure 175 aircraft throughout 13 lots. The KC-46 program held a MS C DAB on 12 Aug 2016 and received approval to enter Low Rate Initial Production (LRIP). The program awarded LRIP Lots 1 and 2 on 18 Aug 2016 and LRIP Lot 3 on 27 Jan 2017, totaling 34 aircraft. KC-46 funding also supports Training Systems, Direct Mission Support, Program Management Administration (PMA) activities, government developmental and operational test support, mission planning capability development, various studies and analyses, and future tanker replacement planning activities.</p>												
<p>The KC-46 will provide the capability to fuel joint and coalition receivers via a boom or drogue system on every mission and will also augment the airlift fleet with cargo, passenger, and aeromedical evacuation capabilities. The KC-46 will operate in day/night and adverse weather conditions to enable deployment, employment, sustainment, and redeployment of U.S. joint, allied, and coalition forces. The KC-46 will have communication, navigation, and surveillance equipment for worldwide operations; the capability to perform missions in chemical and biological environments; the ability to operate in up to medium threat environments with self-defense/protection (both active and passive) capabilities; and the necessary battlespace awareness to mitigate survivability threats.</p>												
<p>The Aircrew Training System (ATS) and the Maintenance Training System (MTS) are being developed and procured using KC-46 funding. The ATS contract was awarded on 1 May 2013 to FlightSafety Services Corporation. The ATS contract will provide Aircrew Training Devices (ATDs), to include Weapon System Trainers (WSTs), Boom Operator Trainers (BOTs), Fuselage Trainers (FuTs), and Part-Task Trainers (PTTs) at each Main Operating Base (MOB) and the Formal Training Unit (FTU). The ATS contract will also support Distributed Mission Operations (DMO), provide aircrew instruction, develop courseware, provide logistics support, acquire a technical data package to support future competition efforts, and manage training device concurrency with the aircraft.</p>												

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Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 5: System Development & Demonstration (SDD)		R-1 Program Element (Number/Name) PE 0605221F I KC-46				
The MTS acquisition focuses on designing, developing, testing, producing, and fielding an optimized training system for KC-46 maintainers by integrating various forms of training media and Maintenance Training Devices (MTDs) into a "blended" solution. This blended solution includes the appropriate mix of hardware and software, "high-fidelity" Augmented Hardware Training Devices (AHTDs), PTTs, Interactive Multimedia Instruction (IMI), and emerging technologies to meet validated Air Mobility Command (AMC) maintenance training requirements.						
This program is in Budget Activity 05, System Development and Demonstration (SDD), because it passed MS C approval and is conducting engineering and manufacturing development tasks aimed at meeting validated requirements prior to full-rate production.						
In FY 2016, \$26.691M is no longer a part of the KC-46 program baseline (BPAC 655271) since it was approved to source the Counter-small Unmanned Aerial System Joint Emergent Operational Need (C-s UAS JEON), AFLCMC/HBU (Force Protection) program, as a Rapid Acquisition Authority (RAA) funded effort. This funding will not be reported in the Selected Acquisition Report (SAR).						
B. Program Change Summary (\$ in Millions)		FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Previous President's Budget		592.364	261.724	21.175	0.000	21.175
Current President's Budget		572.118	261.724	93.845	0.000	93.845
Total Adjustments		-20.246	0.000	72.670	0.000	72.670
• Congressional General Reductions		0.000	0.000			
• Congressional Directed Reductions		0.000	0.000			
• Congressional Rescissions		0.000	0.000			
• Congressional Adds		0.000	0.000			
• Congressional Directed Transfers		0.000	0.000			
• Reprogrammings		0.000	0.000			
• SBIR/STTR Transfer		-20.246	0.000			
• Other Adjustments		0.000	0.000	72.670	0.000	72.670
Change Summary Explanation						
- In FY 2016, the SIBR reduction was in the amount of -\$20.246M.						
- The FY 2018 funding request was increased by \$72.670M to align with the MS C Service Cost Position (SCP).						

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Air Force										Date: May 2017		
Appropriation/Budget Activity 3600 / 5					R-1 Program Element (Number/Name) PE 0605221F / KC-46				Project (Number/Name) 655271 / KC-46 RDT&E			
COST (\$ in Millions)	Prior Years	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
655271: KC-46 RDT&E	5,319.514	572.118	261.724	93.845	0.000	93.845	34.135	0.000	0.000	0.000	0.000	6,281.336
Quantity of RDT&E Articles	4	-	-	-	-	-	-	-	-	-		

A. Mission Description and Budget Item Justification

Replacement of the legacy tanker fleet will take place in several stages. The initial tanker replacement increment of KC-46s will replace roughly a third of the current capability. Future programs will ultimately recapitalize the entire tanker fleet over a period of more than 30 years. The Air Force completed an Analysis of Alternatives (AoA) in Apr 2006 to determine the most appropriate strategy to recapitalize the aging fleet of aerial refueling aircraft. Based on this analysis, the Air Force concluded a strategy of full and open competition to select a commercial derivative replacement tanker aircraft would result in a best value tanker contract. To initiate the first phase of the tanker replacement, the KC-46 program released a final Request for Proposal (RFP) on 24 Feb 2010, and entered source selection on 9 Jul 2010. The KC-46 program held a Milestone B (MS B) Defense Acquisition Board (DAB) on 23 Feb 2011, received approval to enter Engineering and Manufacturing Development (EMD) from the Undersecretary of Defense (Acquisition, Technology and Logistics) (USD(AT&L)) on 24 Feb 2011, and awarded the KC-46 EMD contract to Boeing on 24 Feb 2011 to develop and procure 179 KC-46 aircraft. The program is procuring four RDT&E aircraft for integration and demonstration of capability which will ultimately be operationally fielded. During production, the program plans to procure 175 aircraft throughout 13 lots. The KC-46 program held a MS C DAB on 12 Aug 2016 and received approval to enter Low Rate Initial Production (LRIP). The program awarded LRIP Lots 1 and 2 on 18 Aug 2016 and LRIP Lot 3 on 27 Jan 2017, totaling 34 aircraft. KC-46 funding also supports Training Systems, Direct Mission Support, Program Management Administration (PMA) activities, government developmental and operational test support, mission planning capability development, various studies and analyses, and future tanker replacement planning activities.

The KC-46 will provide the capability to fuel joint and coalition receivers via a boom or drogue system on every mission and will also augment the airlift fleet with cargo, passenger, and aeromedical evacuation capabilities. The KC-46 will operate in day/night and adverse weather conditions to enable deployment, employment, sustainment, and redeployment of U.S. joint, allied, and coalition forces. The KC-46 will have communication, navigation, and surveillance equipment for worldwide operations; the capability to perform missions in chemical and biological environments; the ability to operate in up to medium threat environments with self-defense/protection (both active and passive) capabilities; and the necessary battlespace awareness to mitigate survivability threats.

The Aircrew Training System (ATS) and the Maintenance Training System (MTS) are being developed and procured using KC-46 funding. The ATS contract was awarded on 1 May 2013 to FlightSafety Services Corporation. The ATS contract will provide Aircrew Training Devices (ATDs), to include Weapon System Trainers (WSTs), Boom Operator Trainers (BOTs), Fuselage Trainers (FuTs), and Part-Task Trainers (PTTs) at each Main Operating Base (MOB) and the Formal Training Unit (FTU). The ATS contract will also support Distributed Mission Operations (DMO), provide aircrew instruction, develop courseware, provide logistics support, acquire a technical data package to support future competition efforts, and manage training device concurrency with the aircraft.

The MTS contract was awarded 6 Jul 2016 to The Boeing Company. The MTS acquisition focuses on designing, developing, testing, producing, and fielding an optimized training system for KC-46 maintainers by integrating various forms of training media and Maintenance Training Devices (MTDs) into a "blended" solution. This blended solution includes the appropriate mix of hardware and software, "high-fidelity" Augmented Hardware Training Devices (AHTDs), PTTs, Interactive Multimedia Instruction (IMI), and emerging technologies to meet validated Air Mobility Command (AMC) maintenance training requirements.

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Appropriation/Budget Activity 3600 / 5		R-1 Program Element (Number/Name) PE 0605221F / KC-46	Project (Number/Name) 655271 / KC-46 RDT&E		
This program is in Budget Activity 05, System Development and Demonstration (SDD), because it passed MS C approval and is conducting engineering and manufacturing development tasks aimed at meeting validated requirements prior to full-rate production.					
In FY 2016, \$26.691M is no longer a part of the KC-46 program baseline (BPAC 655271) since it was approved to source the Counter-small Unmanned Aerial System Joint Emergent Operational Need (C-sUAS JEON), AFLCMC/HBU (Force Protection) program, as a Rapid Acquisition Authority (RAA) funded effort. This funding will not be reported in the SAR.					
B. Accomplishments/Planned Programs (\$ in Millions)			FY 2016	FY 2017	FY 2018
Title: KC-46 Aircraft Product Development			449.438	170.824	15.997
Description: EMD activities will be conducted to include the following types of activities: develop a commercial 767-2C aircraft upon which the KC-46 is based; develop the KC-46 military capability and integrate it into the aircraft; build four EMD aircraft; procure live fire assets; procure required Government Furnished Equipment (GFE); procure simulator and maintenance data; develop technical manuals and Type 1 training; and conduct development and operational testing.					
FY 2016 Accomplishments: Continued aircraft manufacturing and certification/qualification ground and flight testing.					
FY 2017 Plans: Continue certification/qualification ground and flight testing.					
FY 2018 Plans: Support start of Initial Operational Test and Evaluation (IOT&E). Complete certification/qualification ground and flight testing and IOT&E.					
Title: KC-46 Trainer Product Development - Aircrew Training System (ATS)			1.061	1.072	0.000
Description: Trainer development activities will be conducted to include the following types of activities: development and procurement of ATDs, courseware, and associated support equipment.					
FY 2016 Accomplishments: Completed subsystem and final system level Critical Design Reviews (CDRs) for Increment 1. Conducted hardware/software integration for all ATDs. Conducted Initial Increment 1 Computer-Based Training (CBT)/Instructor-Based Training (IBT) courseware development.					
FY 2017 Plans: Begin delivery of courseware and first article ATDs to conduct System Level Formative Evaluation (SLFE). Complete in-plant and on-site testing of ATDs. Conduct simulator validation of ATDs at Altus and McConnell AFBs. Begin Small Group Try-Outs (SGTOs) and SLFE.					
FY 2018 Plans:					

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Appropriation/Budget Activity 3600 / 5	R-1 Program Element (Number/Name) PE 0605221F / KC-46	Project (Number/Name) 655271 / KC-46 RDT&E	
B. Accomplishments/Planned Programs (\$ in Millions)		FY 2016	FY 2017
Achieve Ready for Training (RFT) at Altus and McConnell Air Force Bases (AFBs). Complete final system level CDR for Increment 2. Complete software integration of all appropriate ATDs. Complete Increment 2 CBT/IBT courseware development.			
Title: KC-46 Trainer Product Development - Maintenance Training System (MTS) Description: Trainer development activities will be conducted to include the following types of activities: development and procurement of ATDs, courseware, and associated support equipment. FY 2016 Accomplishments: Completed source selection and awarded MTS contract on 6 Jul 2016 to The Boeing Company. Commenced EMD activities and hosted Post Award Conference and Program Startup Workshop. Initiated Training Systems Requirements Analysis (TSRA) Update activities and prepared for baselining the overall program schedule. FY 2017 Plans: Continue activities associated with MTS development. Conduct Systems Requirements Review (SRR), Systems Functional Review (SFR), and Preliminary Design Review (PDR). Complete TSRA activities and prepare to baseline final technical design for MTDs as well as training courseware. FY 2018 Plans: Continue activities associated with MTS development. Conduct CDR and in-plant test activities. Initiate on-site installation and testing of EMD assets at the first Main Operating Base (MOB).		45.648	0.000
Title: KC-46 Support Description: Development, integration, and demonstration of the KC-46 mission planning capability. In addition, studies and analysis to support planning activities for future efficiency initiatives, business case analyses, future tanker replacement planning, and miscellaneous Program Office support and planning. Also includes requirements such as travel, office supplies, training courses, and service contracts. FY 2016 Accomplishments: Completed Final Qualification Test (FQT) on the Phase III Mission Planning Environment (MPE). Began development of Phase III option MPE to support IOT&E. Continued program support. FY 2017 Plans: Complete Phase III option MPE in support of IOT&E start. Award new Avionics, Weapons, and Equipment (AWE) maintenance contract to bridge MPE support through IOT&E. Complete Phase IV MPE option in support of IOT&E. Continue program support. FY 2018 Plans:		30.989	43.658
			7.580

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Appropriation/Budget Activity 3600 / 5					R-1 Program Element (Number/Name) PE 0605221F / KC-46			Project (Number/Name) 655271 / KC-46 RDT&E			
B. Accomplishments/Planned Programs (\$ in Millions)								FY 2016	FY 2017	FY 2018	
Complete MPE maintenance and updates through IOT&E. Continue program support.											
Title: KC-46 Test & Evaluation Description: Test & Evaluation (T&E) activities will be conducted to include the following types of activities: Development Test & Evaluation, Operational Test & Evaluation, Tanker Qualification, Receiver Certifications, Live Fire Test & Evaluation (LFT&E), Federal Aviation Administration (FAA) support, and other test planning and organizational support. FY 2016 Accomplishments: Completed first boom and drogue aerial refueling contact and offload with five receivers: F-16C/D, C-17A, F/A-18C/D, AV-8B and A-10C. Met Milestone C (MS C) requirements. Completed Live Fire Testing and continued Ground and Flight integrated test. FY 2017 Plans: Continue T&E planning activities, including preparing for IOT&E. The KC-46 Program plans to utilize a combination of EMD, pre-delivery production, and LRIP aircraft for Developmental Test and IOT&E. Start aerial refueling (AR) tanker-receiver certification. Provide final Live Fire Test and Evaluation report. FY 2018 Plans: Complete integrated test. Complete T&E planning activities and preparations for IOT&E. Begin and complete IOT&E. Continue AR tanker-receiver certification and initial Aerial Refueling Simulator Qualifications data collection.								18.291	46.170	70.268	
Title: Counter-small Unmanned Aerial System Joint Emergent Operational Need (C-sUAS JEON) Description: Rapidly develop, procure, field, and sustain Counter-small Unmanned Aerial System capabilities. RAA effort will be executed by the Counter-small Unmanned Aerial System Joint Emergent Operational Need (C-sUAS JEON), AFLCMC/HBU (Force Protection), program. This funding will not be reported in the SAR. FY 2016 Accomplishments: Rapidly develop, procure, field, and sustain Counter-small Unmanned Aerial System capabilities. RAA effort will be executed by the Counter-small Unmanned Aerial System Joint Emergent Operational Need (C-sUAS JEON), AFLCMC/HBU (Force Protection), program. This funding will not be reported in the SAR.								26.691	-	-	
Accomplishments/Planned Programs Subtotals								572.118	261.724	93.845	
C. Other Program Funding Summary (\$ in Millions)											
Line Item	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
• APAF: BA02: Line Item # KC046A: KC-46A Tanker	2,334.601	2,884.591	2,545.674	0.000	2,545.674	2,711.167	2,943.478	2,991.871	2,832.006	12,504.217	33,213.190

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Air Force			Date: May 2017
Appropriation/Budget Activity 3600 / 5	R-1 Program Element (Number/Name) PE 0605221F / KC-46	Project (Number/Name) 655271 / KC-46 RDT&E	

C. Other Program Funding Summary (\$ in Millions)

Line Item	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
• APAF: BA06: Line Item # 000999: <i>Initial Spares</i>	52.965	172.183	413.373	0.000	413.373	386.263	224.294	129.503	218.382	1,196.616	2,793.579

Remarks

D. Acquisition Strategy

The KC-46 Program acquisition strategy is to procure an existing commercial, FAA certified aircraft modified to meet USAF requirements. The KC-46 program released a final RFP on 24 Feb 2010, and entered source selection on 9 Jul 2010. The KC-46 program held a MS B DAB on 23 Feb 2011, received approval to enter EMD from the USD(AT&L) on 24 Feb 2011, and awarded the KC-46 contract to Boeing on 24 Feb 2011 to develop and procure 179 KC-46 aircraft. The KC-46 contract procurement was conducted via a full and open competition per Federal Acquisition Regulation (FAR) Part 15, and resulted in a FY 2011 EMD Fixed Price Incentive Firm (FPIF) contract. The EMD phase will develop, build, and test four KC-46 aircraft, and will qualify the KC-46 as a tanker and certify pairings with receiver aircraft.

The MS B acquisition strategy planned for two LRIP lots followed by 11 Full Rate Production (FRP) lots for a total aircraft procurement of 175 production aircraft. An update to the acquisition strategy occurred in support of Milestone C (MS C) that increased LRIP from two to four lots and the remaining nine to be FRP lots with the total aircraft buy remaining at 175 Production aircraft (+4 EMD aircraft, with a grand total of 179 aircraft).

LRIP began with two Firm Fixed Price (FFP) and two FFP Not to Exceed (NTE) options (LRIP-1 Qty 7, LRIP-2 Qty 12, LRIP-3 Qty 15, and LRIP-4 Qty 15) followed by nine FFP FRP options [via NTE values + Economic Price Adjustment (EPA)]. LRIP Lots 1 and 2 were awarded on 18 Aug 2016 and LRIP Lot 3 was awarded on 27 Jan 2017. The FRP options will be exercised following successful completion of IOT&E.

The ATS acquisition strategy is to provide ATDs, and associated support structure, to each MOB and the FTU. The ATS contract was awarded on 1 May 2013 to FlightSafety Services Corporation. The ATS contract procurement was conducted via a full and open competition per FAR Part 15, and resulted in an FY 2013 EMD FPIF contract. The ATS EMD phase will develop and procure ATDs; and will be supported with courseware, Training System Support Center, the technical data package, and support equipment to ensure system availability and concurrency with the aircraft. The ATS initial production options were exercised in Aug 2015.

The MTS acquisition strategy is to acquire MTDs, and associated support structure, for two AMC active duty Regional Maintenance Training Facilities. The MTS contract was awarded 6 Jul 2016 to The Boeing Company. The MTS procurement was conducted via a full and open competition per FAR Part 15, and resulted in an FY 2016 EMD FFP contract. The MTS EMD phase will develop and procure MTDs; and will be supported with courseware, Training System Support Center, the technical data package, and support equipment to ensure system availability and concurrency with the aircraft.

The KC-46 Program is responsible for the development, testing, and production of a drogue-equipped, wing-mounted refueling system to meet Capability Development Document (CDD) thresholds and objectives for simultaneous refueling of two probe-equipped receivers. The system can be installed or removed from the KC-46 as mission needs dictate.

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Exhibit R-2A, RDT&E Project Justification: FY 2018 Air Force		Date: May 2017
Appropriation/Budget Activity 3600 / 5	R-1 Program Element (Number/Name) PE 0605221F / KC-46	Project (Number/Name) 655271 / KC-46 RDT&E
<p>The long-term support concept for the KC-46 is organic two-level maintenance (2LM): organization level (O-level) and depot level (D-level). For the purposes of this program, all maintenance other than O-level shall be referred to as D-level. The product support strategy will initially employ Interim Contractor Support (ICS) before transitioning to a 100% organically-managed maintenance and supply support capability. Performance Based Logistics (PBL) solutions will be evaluated during EMD as viable approaches to facilitate the transition.</p> <p><u>E. Performance Metrics</u></p> <p>Please refer to the Performance Base Budget Overview Book for information on how Air Force resources are applied and how those resources are contributing to Air Force performance goals and most importantly, how they contribute to our mission.</p>		

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Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Air Force												Date: May 2017			
Appropriation/Budget Activity 3600 / 5						R-1 Program Element (Number/Name) PE 0605221F / KC-46				Project (Number/Name) 655271 / KC-46 RDT&E					
Product Development (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
KC-46A aircraft non-recurring development, integration, and testing; 4 RDT&E tanker aircraft; and support	C/FPIF	The Boeing Company : Seattle, WA	4,940.077	449.438	Mar 2016	170.824	Mar 2017	15.997	Mar 2018	0.000		15.997	3.333	5,579.669	5,606.360
KC-46A Aircrew Training System	C/FPIF	FlightSafety Services Corp. : Centennial, CO	85.451	1.061	Feb 2016	1.072	Dec 2016	0.000		0.000		0.000	0.000	87.584	87.584
KC-46A Maintenance Training System	C/FFP	The Boeing Company : St. Louis, MO	1.302	45.648	Jul 2016	0.000		0.000		0.000		0.000	0.000	46.950	46.950
Subtotal			5,026.830	496.147		171.896		15.997		0.000		15.997	3.333	5,714.203	5,740.894
Remarks															
The KC-46 EMD contract was awarded 24 Feb 2011. The contract ceiling price of \$4.9B is the government's maximum financial liability on the prime contract. The "Total Cost" value represents the MS C Service Cost Position (SCP), which accounts for the ceiling price of the contract plus the financial and schedule risk of potential design changes for the KC-46 aircraft.															
FINANCIAL PERFORMANCE: The KC-46 is evaluated against traditional Research and Development (R&D) program expenditure benchmarks. Unlike many traditional R&D programs, the KC-46 EMD contract is a FPIF contract with progress payments. Twenty percent of incurred costs are withheld until the end of the contract, when they are liquidated. Mandatory funding obligations and progress payment withholds will cause the program to lag traditional expenditure benchmarks, painting an inaccurate portrait of overall program health.															
Support (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
KC-46A studies and analysis associated with the development, integration, and demonstration of KC-46 capability & future planning	C/CPAF	Not specified. : TBD	54.752	14.828	Oct 2015	15.023	Mar 2017	3.817	Mar 2018	0.000		3.817	0.030	88.450	88.449
Subtotal			54.752	14.828		15.023		3.817		0.000		3.817	0.030	88.450	88.449

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Support (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Remarks These contracts are on an as needed basis, with various contract types and performing activities.															
Test and Evaluation (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
KC-46A testing and planning support of development & operational test, FAA & military certification, and aircraft qualification activities	Various	Various : Various	131.793	18.291	Oct 2015	46.170	Mar 2017	70.268	Mar 2018	0.000		70.268	30.772	297.294	297.294
Subtotal			131.793	18.291		46.170		70.268		0.000		70.268	30.772	297.294	297.294
Remarks Integrated testing and planning activities are performed by government organizations, with some contractor technical subject matter experts and teaming with the prime contractor.															
Management Services (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
KC-46A Program Management Administration - Program A&AS Support	C/FFP	US Falcon : Dayton, OH	61.532	8.142	Jan 2016	19.963	May 2017	2.287	May 2018	0.000		2.287	0.000	91.924	91.924
KC-46A Program Management Administration - Trainer A&AS Support	C/CPFF	HX5 : Fort Walton Beach, FL	5.712	3.500	Jan 2016	3.242	Jan 2017	0.753	Jan 2018	0.000		0.753	0.000	13.207	13.208
KC-46A Program Management Administration - Other	Various	KC-46 Program Office : Dayton, W-P AFB, OH	38.895	4.519	Oct 2015	5.430	Oct 2016	0.723	Oct 2017	0.000		0.723	0.000	49.567	49.567

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Management Services (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Rapid Acquisition Authority	TBD	Not specified. : TBD	0.000	26.691		0.000		0.000		0.000		0.000	0.000	26.691	-
Subtotal			106.139	42.852		28.635		3.763		0.000		3.763	0.000	181.389	-

Remarks

Two Advisory and Assistance (A&AS) contracts over \$1M. Other PMA funding includes, but is not limited to, travel, supplies, and training.

	Prior Years	FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	5,319.514	572.118		261.724		93.845		0.000		93.845	34.135	6,281.336	-

Remarks

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Exhibit R-4, RDT&E Schedule Profile: FY 2018 Air Force										Date: May 2017			
Appropriation/Budget Activity 3600 / 5					R-1 Program Element (Number/Name) PE 0605221F / KC-46					Project (Number/Name) 655271 / KC-46 RDT&E			

	FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
EMD: KC-46 Aircraft																												
Developmental Test & Evaluation to support aircraft delivery																												
Operational Assessment-2 (OA-2)																												
Receiver Certification																												
Initial Operational Test & Evaluation																												
Milestone C																												
Support Equipment Analysis																												
Supply Support																												
Depot Maintenance Inter-servicing (DMI), Source of Repair Assignment Process (SORAP), Activation Planning, & FAA Certifications																												
Aircrew Training System Development & Updates																												
Maintenance Training System Development & Updates																												

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Exhibit R-4A, RDT&E Schedule Details: FY 2018 Air Force			Date: May 2017
Appropriation/Budget Activity 3600 / 5	R-1 Program Element (Number/Name) PE 0605221F / KC-46	Project (Number/Name) 655271 / KC-46 RDT&E	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
EMD: KC-46 Aircraft	1	2016	2	2020
Developmental Test & Evaluation to support aircraft delivery	1	2016	4	2017
Operational Assessment-2 (OA-2)	1	2016	4	2016
Receiver Certification	1	2016	4	2019
Initial Operational Test & Evaluation	1	2018	4	2018
Milestone C	4	2016	4	2016
Support Equipment Analysis	1	2016	3	2016
Supply Support	1	2016	1	2020
Depot Maintenance Inter-servicing (DMI), Source of Repair Assignment Process (SORAP), Activation Planning, & FAA Certifications	1	2016	2	2020
Aircrew Training System Development & Updates	1	2016	3	2020
Maintenance Training System Development & Updates	3	2016	2	2019